

060346Z Jun 05

ACTION EAP-00

INFO	LOG-00	NP-00	AID-00	AIT-00	AMAD-00	CIAE-00	CTME-00
	INL-00	DINT-00	DODE-00	ITCE-00	DOTE-00	DS-00	EB-00
	EXME-00	E-00	FAAE-00	FBIE-00	UTED-00	VC-00	FRB-00
	H-00	TEDE-00	INR-00	IO-00	JUSE-00	L-00	VCE-00
	AC-00	NSAE-00	OES-00	OIC-00	OMB-00	NIMA-00	EPAU-00
	ACE-00	SP-00	SSO-00	STR-00	FMP-00	BBG-00	EPAE-00
	IIP-00	DSCC-00	PRM-00	DRL-00	G-00	NFAT-00	SAS-00
	SWCI-00	/000W					

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FM AMCONSUL HO CHI MINH CITY  
TO SECSTATE WASHDC PRIORITY 1591  
INFO AMEMBASSY HANOI PRIORITY  
USDOC WASHDC PRIORITY  
USMISSION GENEVA PRIORITY  
ASSOCIATION OF SOUTHEAST ASIAN NATIONS  
DEPT OF TREASURY WASHDC  
USDA WASHDC  
USDA FAS WASHDC

UNCLAS HO CHI MINH CITY 000594

SIPDIS

SENSITIVE

STATE FOR EAP/BCLTV AND EB/TPP/BTA/ANA JBELLER  
STATE PASS USTR FOR EBRYAN AND GHICKS  
USDOC FOR 4430/MAC/ASIA/OPB/VLC/HPPHO  
GENEVA FOR USTR

E.O. 12958: N/A

TAGS: [ETRD](#) [ECON](#) [PREL](#) [PGOV](#) [VM](#) [WTRO](#) [WTO](#)

SUBJECT: VIETNAM BUSINESS FORUM: WTO AND ENTERPRISE CONCERN

REF: Hanoi 1285

**¶1.** (SBU) SUMMARY: Vietnamese and foreign business leaders highlighted the continued need for infrastructure development and legal reform at the Vietnam Business Forum, the biannual meeting between the business community and the GVN. Deputy Prime Minister Vu Khoan, who led the GVN's delegation to the Forum, appealed to members of the diplomatic corps and donor community to remember Vietnam is a poor country "at a low level of development" that seeks to enter the WTO as soon as possible. The GVN has resurrected an old message in an attempt to accelerate its WTO bid. END SUMMARY.

**¶2.** (U) The 16th Vietnam Business Forum (VBF), organized by the Ministry of Planning and Investment (MPI) and the International Finance Corporation (IFC), was held in Ho Chi Minh City June 1. Participants in the half-day session discussed the climate for business in Vietnam, competitiveness, and new legislation, including updates on the Common Investment, Unified Enterprise, Competition, Anti-Corruption and Land Laws.

**¶3.** (U) A key area of concern for both business and the GVN is infrastructure development, particularly power, ports and transportation and telecommunications. DPM Vu Khoan in his opening remarks noted that power shortages resulting from drought in northern and central Vietnam were "acts of God" that could, among other factors, affect Vietnam's ability to reach its 2005 target economic growth rate of 8.5 percent. HCMC business leaders reported that the city's ports would reach capacity within the next two years, and they urged the GVN to accelerate plans to develop a deep-water port in neighboring Ba Ria-Vung Tau province. (septel)

**¶4.** (U) Business leaders also urged the GVN to make further progress on transparency and legal reform. VBF working groups studying draft laws highlighted inconsistencies between the investment and enterprise laws and implementation problems with the new land law. Several business representatives noted continued difficulties with Vietnam's cumbersome licensing and registration procedures, particularly the reliance on notary publics to evaluate business documents.

**¶5.** (SBU) In his opening and closing remarks, the DPM focused on Vietnam's accession to the WTO. He made such a positive statement about progress in the U.S.-Vietnam bilateral market access negotiations that the European Trade Counselor asked ECON/C when the United States was closing out. The DPM also asked for the international community's support for Vietnam's WTO bid, requesting diplomats and donors to "influence negotiators to be more flexible" in their meetings with Vietnam on WTO accession, since Vietnam was still a poor, developing nation.

**¶6.** (SBU) COMMENT: The VBF is the chief formal occasion in the year when the foreign and domestic business communities can raise

issues of concern with a Deputy Prime Minister and other senior GVN officials present. (As with all such events, it is the ongoing preparatory process made up of a series of joint GVN-business committees that does the real work of the Forum.) While dialogue was rather stilted due to the large number of participants, the VBF was another opportunity to reinforce messages for the government on transparency, legal reform and business climate. We were surprised to hear the DPM resurrect the "poor, developing country" card and seek leniency from negotiators vis--vis the WTO at the VBF and at a meeting with about 40 members of the American Chamber of Commerce immediately afterward. This message was echoed to the Embassy almost simultaneously (reftel.) Ho Chi Minh City AmCham members did not endorse the DPM's request for sympathy. One U.S. businessman told the DPM that without improved market access, more U.S. firms will not come to invest or trade with Vietnam.

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